

House Republican Press Release

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Rep. Frey Sponsors Bill to Protect Teacher Retirement Funds



HARTFORD - State Representative John H Frey, R-Ridgefield is co-sponsoring legislation designed to create a constitutional amendment requiring the full funding of the teacher's retirement fund.

The House Joint Resolution, recently approved by the Appropriations Committee, seeks to change Connecticut's Constitution, and require the teacher's retirement system be funded on an actuarial reserve basis, in accordance with generally accepted actuarial principles. The change would take effect commencing July 1, 2010, and annually thereafter.

The measure would make exceptions in the event that the governor declares an emergency or other extraordinary circumstances. It would require a three-fifths vote of the members of the General Assembly to reduce the amount provided to the teachers' retirement system, and no such reduction can exceed fifteen per cent of the amount certified by the Teachers' retirement Board with respect to the fiscal year.

"Most people are unaware that Connecticut teachers do not pay into the federal social security system and are not eligible for corresponding benefits," said Rep. Frey, who serves as an Assistant Minority Leader. "They rely solely on the pledge that the state will meet the obligations to fund these pensions in the future. Unfortunately, one of the 'structural' problems with the state budgets in the past couple of years is that the state has not made the contributions that are actuarially required. Teachers are understandably concerned, as should the taxpayer, since we don't want to be forced to pay the pensions of an increasing number of teachers on a cash basis."

Health benefits for retired teachers are determined by state law. Retired or disabled teachers receiving benefits from the Teachers Retirement System can get health insurance coverage from the Teachers Retirement Board if they are eligible for Medicare Part A hospital insurance. Those who are not eligible for Medicare Part A are allowed to participate in the same health insurance plan that their last employing board of education maintains for its active teachers.

The measure will now go before the full House of Representatives consideration.